



Irish Life Weekly Investment Bulletin

The week that was – WEEK 45 (ending 10/11/2017)

“Small deeds done are better than great deeds planned.” – Peter Marshall

Irish inflation rises to 0.6% in the year to October 2017 – The Central Statistics Office (CSO) reported that prices, as measured by the CPI, were 0.6% higher in October compared with October 2016, the highest rate since April. The largest price increases were in housing, water, electricity, gas & other fuels, up 3.1%.

Irish residential property prices rise by 12.8% in the year to September – New figures from the CSO show residential property prices rose by 12.8% in the 12 months to September (the largest rise in over two years), compared to a 8% annual increase to September 2016. Prices are still 23.7% lower than the peak in 2007.

Global stock market down 0.4% on the week – The MSCI AC World TR Index showed a 0.38% fall from the 3rd November to 10th November, as signals for U.S. tax reform proposals became more mixed from Senate Republicans. Volatility, as measured by VIX, finished the week at 11.29, up from 9.14 the previous week.

EC revises 2017 eurozone growth to 10 year high – The European Commission predicts the eurozone economy will expand 2.2% this year, the fastest growth in 10 years, and by 2.1% in 2018. However it sharply cut its forecast for UK growth in 2017 to 1.5% as well as predicting a further slowdown to 1.1% in 2019.

Oil price rises to two-and-a-half-year high – Brent crude rose for the fifth week in a row and edged close to \$64, a level not seen since June 2015, with the political purge in Saudi Arabia, increasing tensions between Iran and Saudi Arabia and worries about a debt default in Venezuela all contributing to the price increase.

China's PBOC warning on high leverage – According to People's Bank of China's governor Zhou Xiaochuan, China's financial system is getting significantly more vulnerable due to high leverage, describing the risks as "hidden, complex, sudden, contagious and hazardous" as he called for deeper reforms.

The Story of the week: Paramedics treating a man in England who was left in a critical condition were shocked to find a note telling them not to block a driveway with their ambulance. The West Midlands Ambulance Service shared a photo of the note on Facebook and Twitter which said - 'You may be saving lives but don't park your van in a stupid place and block my drive.'! Social media users took to Facebook to respond to the note including one which said unsurprisingly: "What a disgrace. Let's hope he or any member of his family never need the ambulance service."

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 10/11)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	17.6
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	7.0
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	7.9
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	11.8
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	17.3
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	25.4
Nikkei 225	22.9	56.7	7.1	9.1	0.4	18.7
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	27.1
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.2
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.3
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.6
Italy	4.6	4.1	2.1	1.6	1.8	1.8
Greece	12.7	8.2	9.6	7.9	7.1	5.1
Portugal	6.9	6.1	2.7	2.5	3.8	2.0
Spain	5.4	4.1	1.6	1.7	1.4	1.5
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.16
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.89
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.31
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	6.9% (to end of Q3)
U.K.	2.7	10.7	17.8	13.1	3.6	7.1% (to end of Q3)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance